



First Citizens
Investment Services

Caribbean Business Executive Seminar 2014

Capital Mobilization and Allocation Strategies

Presented by:
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April 4, 2014

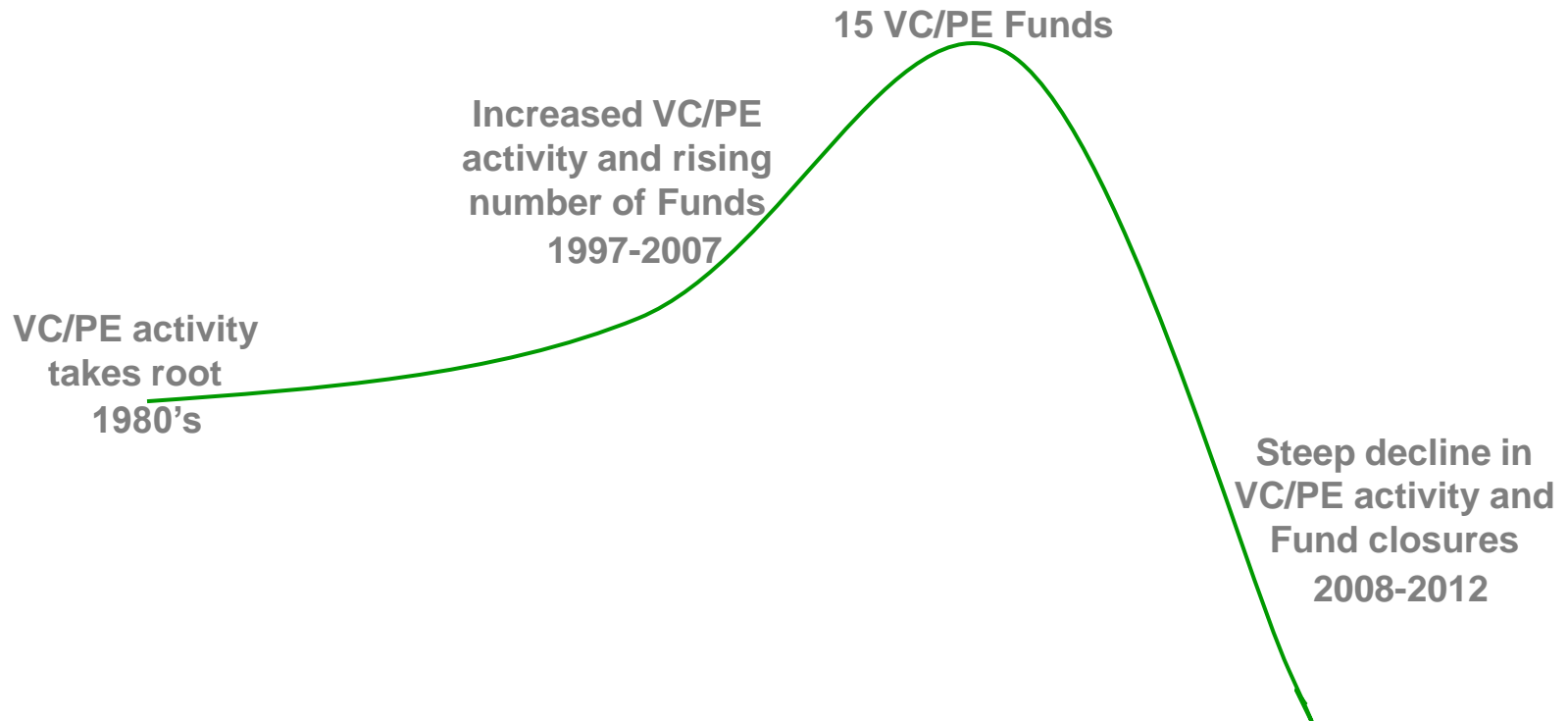
The add Venture...



Since 1492....



A brief history...



VC/PE Economic Impact

INVESTED
\$1

\$6.27
REVENUE

INVESTED
< 0.2%

21%
of U.S. GDP

VC/PE Economic Impact

U.S. Venture-Backed Company Employment 2000 – 2010



- Job creation
- 11% of private sector workforce

VC/PE Economic Impact

U.S. Venture-Backed Company Revenue 2000 – 2010



- Rising contribution to GDP
- Revenue equal to 21% of US GDP

VC/PE Economic Impact

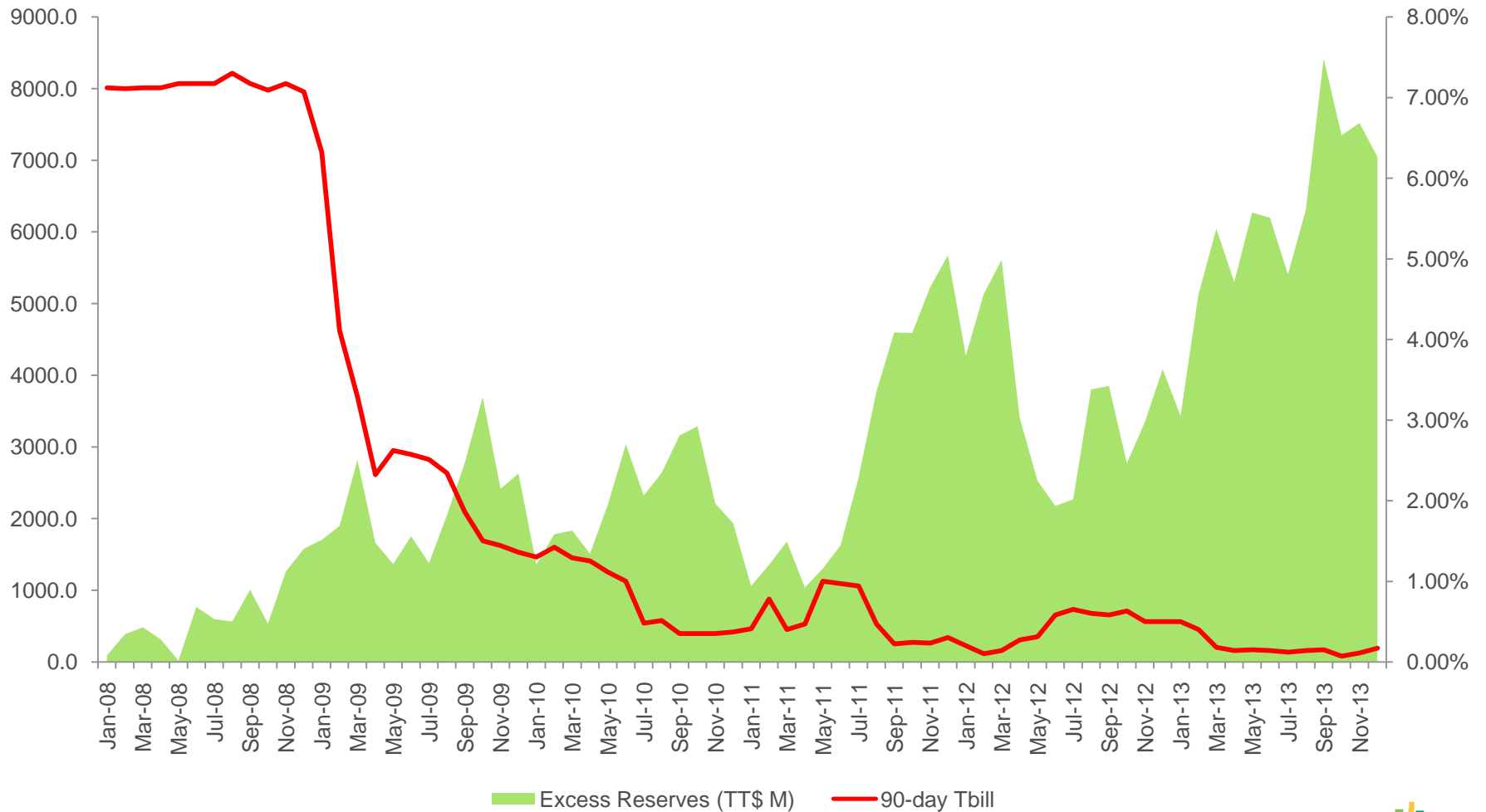
57%

"Adjusting in this way for the selection bias of firms that go bankrupt, the mean return on VC investments is 57 percent per year"

John Cochrane, National Bureau of Economic Research



Market Returns and Liquidity



Patient Capital

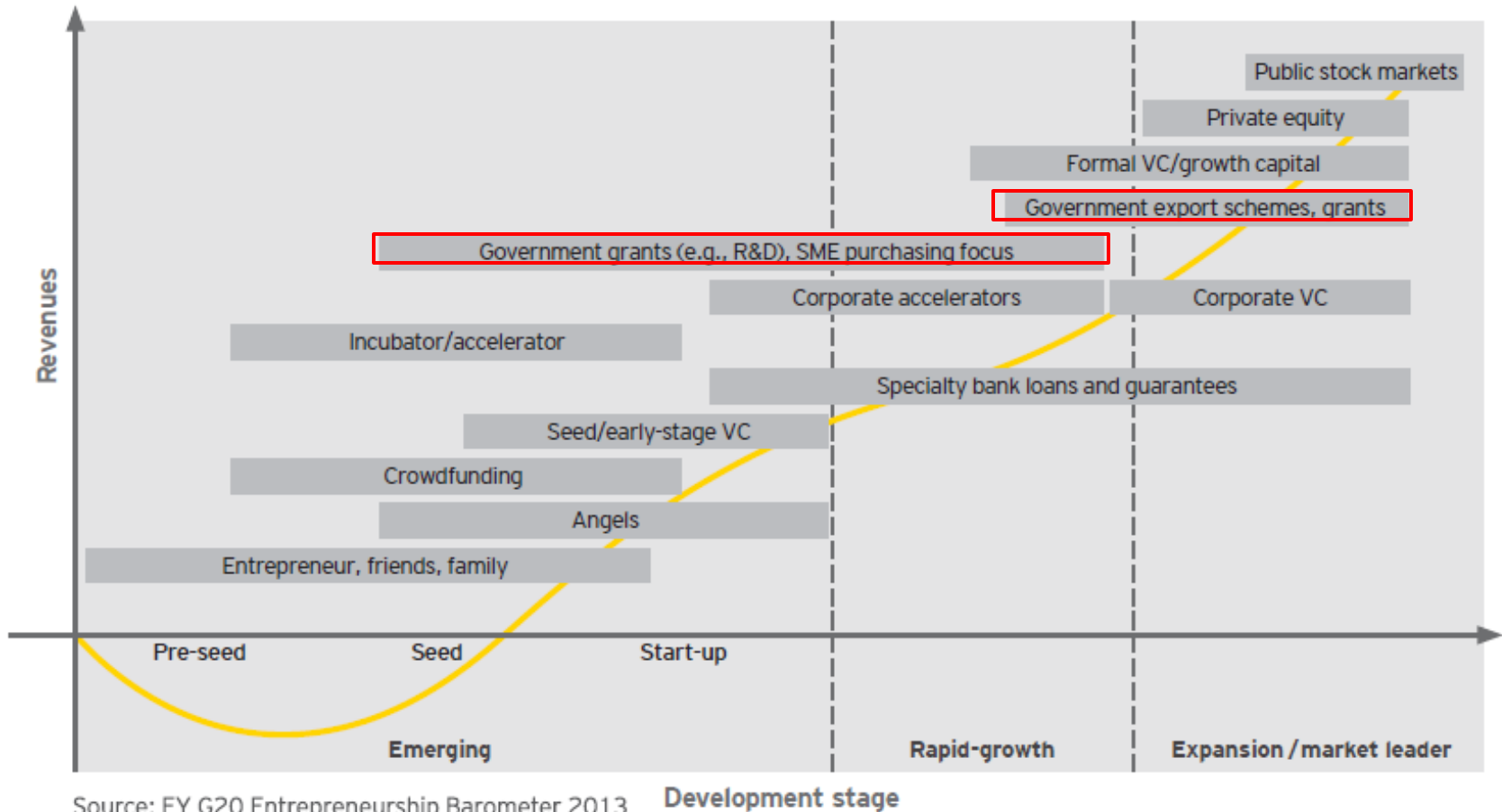
	\$Bn
Commercial Banks	\$112
Credit Unions	\$10
Non-Bank Financial Institutions	\$9
	\$131
Unit Trust Corporation	\$22
Life Insurance Companies	\$30
Pension Funds	\$33
National Insurance Board	\$22
	\$84
Stock Market	\$94



PATIENT CAPITAL

Traditional Funding Lifecycle

The EY guide to funding entrepreneurial businesses

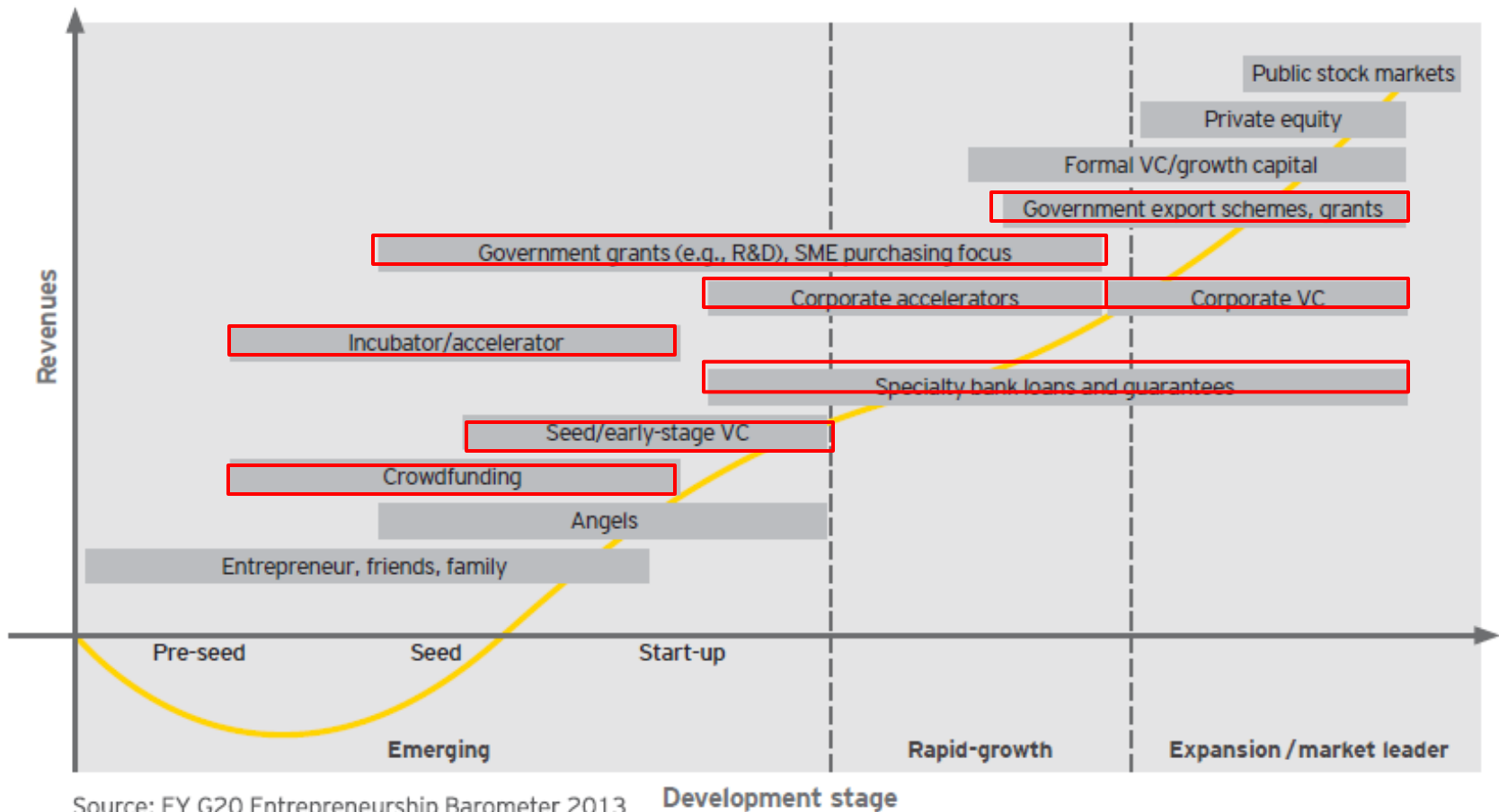


Source: EY G20 Entrepreneurship Barometer 2013

Development stage

Critical Role of Government

The EY guide to funding entrepreneurial businesses



Source: EY G20 Entrepreneurship Barometer 2013

Development stage

Critical Role of Government

“Some governments are **taking more direct action** by creating **government-sponsored VC funds** to make direct investments in new enterprises. Others are considering **changing regulations** to allow government or pension plans to invest in VC assets or **adapting the tax and regulatory environment** to encourage investment from overseas VC firms”

Source: Ernst & Young, Global Venture Capital Insights and Trends 2014

Show me the Money

Private capital is attracted to sectors that:

- 1. Provides a rapid path to Value; and**
- 2. Generates attractive risk adjusted Returns**

Globally consumer services and information technology is attracting significant VC/PE capital flows because these sectors currently meet this criteria.

Closing thoughts

To succeed we have to focus on the following areas:

- 1. Sources of Capital;**
- 2. Deal Pipeline; and**
- 3. The Ecosystem**